

House File 2170 - Introduced

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BY KRESSIG

A BILL FOR

1 An Act relating to the notice provided to persons subject to a
2 surcharge assessed for the return of a dishonored financial
3 instrument.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 554.3512, subsection 2, Code 2011, is
2 amended to read as follows:

3 2. The surcharge authorized by ~~this section~~ subsection
4 1 shall not be assessed unless the holder clearly and
5 conspicuously ~~posts a notice at the usual place of payment,~~
6 ~~or in the billing statement of the holder, stating~~ provides
7 notice that a surcharge will be assessed and the amount of
8 the surcharge. The notice shall be posted at the usual place
9 of payment, published on the billing statement of the holder,
10 or published on an internet site where electronic payment is
11 made. However, the surcharge shall not be assessed against the
12 maker if the reason for the dishonor of the check, draft, or
13 order is that the maker has stopped payment pursuant to section
14 554.4403.

15

EXPLANATION

16 This bill amends a provision in the uniform commercial
17 code (Code section 554.3512) which authorizes the holder of a
18 dishonored check or similar financial instrument to assess a
19 surcharge against its maker not to exceed \$30. However, in
20 order to assess the surcharge, there must be a notice posted
21 at the place of payment or published on the holder's billing
22 statement, indicating the surcharge amount. The bill provides
23 that the same notice must be published on the internet site
24 where electronic payment is made.